

AR41

Lee D

*Annual Report*

**FIRST ORENADA MINES LIMITED**

(NO PERSONAL LIABILITY)



**FOR THE YEAR ENDED DECEMBER 31, 1966**

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## AUTHORIZED CAPITALIZATION

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

## DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc.	- - - -	Toronto 18, Ontario
DAVID W. GORDON	- - - -	Toronto, Ontario
M. W. MacDOWELL	- - - -	Brockville, Ontario
GORDON L. MOORE	- - - -	Islington, Ontario
PHILIP E. BOYLEN	- - - -	Willowdale, Ontario

## OFFICERS

M. J. BOYLEN	- - - - -	President
M. W. MacDOWELL	- - - - -	Vice-President
DAVID W. GORDON	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant-Secretary

## HEAD OFFICE

c/o RAYMOND CARON, Q.C.  
22nd Floor, 630 Dorchester Boulevard West, Montreal 2, Quebec

## EXECUTIVE OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

## TRANSFER AGENTS AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA  
366 Bay Street, Toronto, Ontario, and  
427 St. James Street West, Montreal, Quebec

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

---

## *Directors' Report*

To the Shareholders:

The Balance Sheet and related financial statements of the Company for the fiscal year ended December 31st, 1966, and notes relative thereto and the Report of the Auditors are presented for your consideration.

The Company was active during 1966 with exploration functioning in the Provinces of Manitoba, New Brunswick, Ontario and the Northwest Territories. A brief resume of the work carried out follows:

### **Province of Ontario — Township of Ecclestone**

A number of excellent conductive responses associated with strong magnetic anomalies were indicated by geophysical surveys carried out over the eighteen claim group held by the Company in the Ecclestone (Kapuskasing area) of Ontario during the early winter of 1965, and the contained anomalies were prospected by ground geophysics and soil geochemistry. In almost all cases the anomalies were found to be caused by iron sulphides but of those checked none produced ore grade base metals; and, the claims were abandoned prior to the year end.

### **Nepisiguit River Area — New Brunswick**

The group of thirty-one claims in the Nepisiguit River area, New Brunswick, held under option by the Company were drilled to check geophysical responses obtained during the survey of the claims. Results were all too low in grade to warrant serious consideration but the option was continued for one year, without additional cost to the Company, to permit further prospecting and review results of adjoining areas.

### **Southern Manitoba — Prospecting**

During the summer of 1966 a reconnaissance geochemical survey was carried out in the Interlake Region of south-central Manitoba. Some 1,760 stream sediment and soil samples were collected and tested in the field using the Mogensen dithizone total heavy metal field kit.

Samples which gave anomalous reaction were sent to a laboratory for hot acid extraction of total zinc, lead and in most cases, copper. Approximately 400 samples were tested in this way.

The purpose of the survey was to locate any near-surface base metal (most probably lead and zinc) deposit located in the Palaeozoic carbonate rocks of the Interlake Region of Manitoba. In this regard, the survey was unsuccessful and while the possibilities of there being economic base metal deposits in this environment have not been disproved, further exploration would be extremely expensive and would be a long term project.

#### **Pine Point Area — Northwest Territories**

The option held by the Company on the fifty mining claims in the Northwest Territories was cancelled and terminated after geophysical investigation failed to reveal anything of interest on the property.

#### **Australian Investigation**

Two copper prospects in Australia were submitted to the Company for consideration. However, a satisfactory deal could not be arranged in time to suit the owners and interest in the prospects was discontinued.

#### **Township of Bourlamaque, Quebec**

The Company's Bourlamaque, Quebec, mining property consisting of fifty-one mining claims held under development license and comprising an area of approximately 1,984 acres was maintained in good standing. No exploration work was carried out thereon during the past year.

On behalf of the Board of Directors,

M. J. BOYLEN,

President.

Toronto, Ontario,  
April 17th, 1967.

# Cossar, Hector, Payne & Co.

CHARTERED ACCOUNTANTS

443 UNIVERSITY AVENUE

**Toronto 2**

TELEPHONE 364-5285

A. J. COSSAR, C.A.  
R. H. B. HECTOR, C.A.  
A. C. PAYNE, C.A.  
A. D. COSSAR, C.A.  
J. D. JACKSON, C.A.

NEWMARKET OFFICE  
255A MAIN STREET  
TW. 5-6601

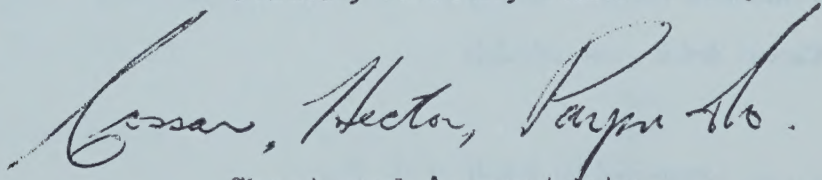
April 12, 1967

To the Shareholders,  
First Orenada Mines Limited,  
Toronto, Ontario.

We have examined the balance sheet of First Orenada Mines Limited as at 31 December, 1966 and the statement of deferred expenses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of deferred expenses present fairly the financial position of the company as at 31 December, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COSSAR, HECTOR, PAYNE & CO.

A large, stylized handwritten signature in cursive script that reads "Cossar, Hector, Payne & Co.".

Chartered Accountants.

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

## *Balance Sheet as at 31 December, 1966*

(With comparative figures as at 31 December, 1965)

ASSETS		1966	1965
Current assets			
Cash in bank .....		\$ 3,569	\$ 14,038
Bank deposit receipt — due 17 January, 1966 .....		—	40,000
Sundry receivable .....		1,605	426
		<u>5,174</u>	<u>54,464</u>
Investments in and advances to other mining companies (Note 1)			
Shares — at cost (market value \$28,212.00) .....		106,007	113,357
Advances .....		35,964	35,964
		<u>141,971</u>	<u>149,321</u>
Government of Canada Bond — pledged as security .....		1,000	1,000
Mining claims			
51 claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec, acquired for 250,000 shares at a valuation of .....		50,000	50,000
Costs paid in cash .....		115	115
		<u>50,115</u>	<u>50,115</u>
31 claims located in the Nepisiquit River area, Parish of Bathurst, County of Gloucester, New Brunswick held under option .....		7,500	—
18 mining claims located in the Porcupine Mining Division, Township of Ecclestone, Porcupine, Ontario — cost of staking .....		—	790
50 mining claims located in the Pine Point Area of the Northwest Territories held under option .....		—	15,000
		<u>57,615</u>	<u>65,905</u>
Deferred expenses — per attached schedule .....		368,667	348,318
		<u>\$ 574,427</u>	<u>\$ 619,008</u>
LIABILITIES			
Current liabilities			
Accounts payable .....		\$ 200	\$ 1,624
Capital stock			
Authorized:			
5,000,000 shares of \$1.00 par value			
Issued and fully paid:			
For:	Shares	Par Value	Discount
Property .....	312,500	\$ 312,500	\$ 293,750
Services .....	41,223	41,223	35,194
Cash .....	833,777	833,777	608,147
	<u>1,187,500</u>	<u>\$1,187,500</u>	<u>\$ 937,091</u>
		250,409	250,409
Contributed surplus — arising on reduction of issued shares .....		526,227	526,227
		<u>776,636</u>	<u>776,636</u>
Capital deficit — see schedule .....		202,409	159,252
		<u>574,227</u>	<u>617,384</u>
		<u>\$ 574,427</u>	<u>\$ 619,008</u>

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

## Notes to Financial Statement

31 December, 1966

### NOTE 1

Investments in and advances to other mining companies consisting of:

	Shares		Advances
	Book Value	Market Value	
Captain Mines Limited .....			\$ 18,586
16,000 shares — at cost .....	\$ 1,600	\$ 2,240	
Wesley Mines Limited .....			17,378
55,000 shares — at cost .....	5,500	1,650	
Northern Canada Mines Limited .....			—
3,000 shares — at cost .....	7,007	3,900	—
Nigadoo River Mines Limited .....			—
20,422 shares — at cost .....	91,900	20,422	
	<u>\$ 106,007</u>	<u>\$ 28,212</u>	<u>\$ 35,964</u>

### NOTE 2

By an agreement dated 1 November, 1966, the Company was granted an extension of an option obtained 5 January, 1966 whereby the Company obtained the exclusive option to acquire 31 mining claims in the Nepisiquit River area, Parish of Bathurst, County of Gloucester, New Brunswick. The option may be exercised by payment on or before 30 September, 1967 of a further \$7,500 and the allotment and issue of 100,000 shares of the capital stock of the Company.

### STATEMENT OF CAPITAL DEFICIT FOR THE YEAR ENDED 31 DECEMBER, 1966

Balance 1 January, 1966 .....		\$ 159,252
Add: Loss on sale of securities .....	\$ 5,299	
Cost of option of Pine Point area claims abandoned .....	\$ 15,000	
Development work thereon written off .....	15,369	
	<u>30,369</u>	
Cost of claims in Porcupine Area abandoned .....	790	
Development work thereon written off .....	1,126	
	<u>1,916</u>	
Sundry exploration expenses incurred in year written off .....	5,573	
		<u>43,157</u>
Balance 31 December, 1966 .....		<u>\$ 202,409</u>

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

## STATEMENT OF DEFERRED EXPENSES FOR THE YEAR ENDED 31 DECEMBER, 1966

	Expenditures Carried Forward 1 January, 1966	Additional in the Year	Balance at 31 December, 1966
<b>Deferred mine development expenses</b>			
Diamond drilling .....	\$ 227,880	\$ 9,994	\$ 237,874
Surface exploration .....	8,273	16,178	24,451
Assaying .....	4,493	58	4,551
Maps and blueprints .....	626	130	756
Mining licenses .....	15,855	—	15,855
Taxes, fees, etc. ....	12,248	1,618	13,866
General expense .....	789	—	789
Surveys .....	14,186	5,443	19,629
Travel expense — mine .....	2,096	—	2,096
Camp and cookery .....	6,396	—	6,396
	292,842	33,421	326,263
Development expense of abandoned claims .....	—	22,068	22,068
	292,842	11,353	304,195
<b>Deferred administration expenses</b>			
Advertising .....	407	23	430
Legal and audit .....	8,983	2,250	11,233
Interest and bank charges .....	58	6	64
Head office expense .....	27,625	1,800	29,425
Postage and office supplies .....	4,659	529	5,188
General expense .....	368	32	400
Security registration fees .....	8,471	120	8,591
Telephone and telegraph .....	1,409	571	1,980
Transfer agent and registrar fees .....	8,411	1,043	9,454
Travel expenses .....	5,778	399	6,177
Capital and place of business tax .....	1,479	150	1,629
Insurance .....	786	—	786
Bad debt expense .....	779	—	779
Shareholders' reports .....	3,106	664	3,770
Directors' fees .....	1,700	1,900	3,600
	74,019	9,487	83,506
	366,861	20,840	387,701
Less: Interest income .....	18,543	491	19,034
<b>Total deferred expenses</b> .....	<b>\$ 348,318</b>	<b>\$ 20,349</b>	<b>\$ 368,667</b>